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8 September 2008

Secretary,
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090
USA

Dear Sirs,

File No. S7-16-08, Exemption of Certain Foreign Brokers or Dealers, Exchange Act Release 58047, 73 FR 39182

CompliGlobe Ltd. is please to provide the Commission and the Staff with its comments on the proposal to amend Rule 15a-6 under the Securities Exchange Act of 1934. Our comments focus on two aspects of the proposal and also the implications of the proposed amendments on the non-US Alternative Investment industry – hedge funds, funds of hedge funds, managed accounts and private equity vehicles ("AI products") – and those who manage them – investment managers.

Non-US AI products

A non-US investment manager offers its clients discretionary investment management and advisory services. It would manage assets directly, through managed accounts or via client participation in pooled investment vehicles. This is apart from private equity investment opportunities. Occasionally, as an accommodation for their non-US clients, a non-US money manager may execute a transaction. Also, from time to time, a non-US investment manager might solicit a US person to invest in a non-US AI product the manager advises. Many of the more than 10,000 hedge funds, FoHFs, managed accounts and private equity vehicles that exist are incorporated in non-US jurisdictions. US persons invest significant amounts of monies in such products.

Under the definition of the term "broker" in Section 3(a)(4) of the Exchange Act, the long-standing definition of the term "solicitation" articulated in the 1989 release adopting Rule 15a-6 and no-action letters dealing with the term "broker" (in particular, those holding that the receipt of transaction-based compensation is a key factor in determining whether a person is a broker), a non-US person that uses the means of interstate commerce to solicit a US person to purchase securities would be required, absent an exemption, to register as a broker-dealer under Section 15(b) of the Exchange Act. The activity contemplated by this is not money management, but the "sell side" activities of a broker. We agree that the current state of the law is correct, and support it. However, we are concerned about its strict application in the context of Rule 15a-6 as it is proposed to be amended to a non-US investment